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**GREATER NEW ORLEANS
SPORTS FOUNDATION**

**FINANCIAL AND COMPLIANCE AUDIT
TOGETHER WITH
INDEPENDENT AUDITORS' REPORT**

FOR THE YEAR ENDED DECEMBER 31, 2002

Under provisions of state law, the auditor is not to
decide the reasonableness of the management's
statements and other data shown herein. The
report is only a representation of the auditor's
opinion of the financial statements and other
data shown herein.

Date of audit: AUG 13, 2003

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Greater New Orleans Sports Foundation
New Orleans, Louisiana

We have audited the accompanying statement of financial position of the **Greater New Orleans Sports Foundation** (a non-profit organization) as of December 31, 2002 and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the management of the **Greater New Orleans Sports Foundation**. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the **Greater New Orleans Sports Foundation** as of December 31, 2002, and the changes in its net assets, and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

INDEPENDENT AUDITORS' REPORT
(CONTINUED)

To the Board of Directors
Greater New Orleans Sports Foundation
New Orleans, Louisiana
Page 2

In accordance with Government Auditing Standards, we have also issued our report dated May 9, 2003 on our consideration of the Greater New Orleans Sports Foundation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards, and should be read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental information included in the report (shown on page 13) is presented for the purpose of additional analysis and is not a required part of the financial statements of the Greater New Orleans Sports Foundation. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

Bruno & Tervalon LLP
BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS

May 9, 2003

GREATER NEW ORLEANS SPORTS FOUNDATION
STATEMENT OF FINANCIAL POSITION
As of December 31, 2002

ASSETS

Cash and cash equivalents (NOTE 2)	\$ 982,047
Accounts receivable (NOTE 4)	381,777
Due from affiliate (NOTE 12)	148,176
Prepaid expenses	58,448
Other assets	1,570
Office furniture and equipment, net of accumulated depreciation of \$132,437 (NOTES 2 and 3)	40,640
Leasehold improvements, net of accumulated amortization of \$17,105	<u>52,869</u>
Total assets	\$1,573,487

LIABILITIES AND NET ASSETS

Liabilities:	
Accounts payable	\$ 315,517
Total liabilities	<u>315,517</u>
Net Assets (NOTE 2):	
Unrestricted net assets	1,261,970
Total net assets	<u>1,261,970</u>
Total liabilities and net assets	\$1,573,487

The accompanying notes are an integral part of these financial statements.

GREATER NEW ORLEANS SPORTS FOUNDATION
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2002

Revenues and Other Support

Grant revenue	\$ 315,000
Ticket sales (NOTE 10)	220,874
Entry fees (NOTE 10)	48,025
Sponsorship revenues (NOTE 10)	40,649
Professional service fees (NOTE 10)	3,752
Management fees (NOTE 10)	813,957
Membership revenues	37,900
Interest	14,118
Sales tax deduction (NOTE 8)	323,143
Hotel rebates	33,570
Other revenue	<u>11,634</u>

Total revenues and other support 1,876,622

Expenses

Management and general	1,861,359
Program costs	<u>491,383</u>

Total expenses 2,303,152

Change in net assets (426,730)

Net assets, beginning of year 1,688,768

Net assets, end of year \$1,261,838

The accompanying notes are an integral part of the financial statements.

GREATER NEW ORLEANS SPORTS FOUNDATION
STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2002

Cash Flows From Operating Activities

Change in net assets	\$(426,736)
Adjustments to reconcile changes in net assets to net cash provided by operating activities:	
Depreciation	8,090
Amortization	13,995
(Increase)/decrease in:	
Accounts receivable	367,777
Prepaid expenses	31,995
Other assets	9,693
Increase/(decrease) in:	
Accounts payable	<u>148,373</u>
Net cash provided by operating activities	<u>154,193</u>

Cash Flows From Investing Activities

Purchase of fixed assets	<u>(1,578)</u>
Net cash used by investing activities	<u>(1,578)</u>

Net increase in cash and cash equivalents 150,615

Cash and cash equivalents, January 1, 2002 811,432

Cash and cash equivalents, December 31, 2002 \$ 962,047

The accompanying notes are an integral part of these financial statements.

GREATER NEW ORLEANS SPORTS FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 - Organization:

The Greater New Orleans Sports Foundation (the Foundation) was formed on August 2, 1988 as a non-profit organization to bring together by association, sports minded people who will devote a portion of their time, energy and financial support to the development of sport tourism and related industries in the City of New Orleans and surrounding regions. Also, the Foundation was organized to provide for the exchange among members of the organization such information, ideas and support necessary to attract and assist in the coordination and production of sports events in the New Orleans area.

NOTE 2 - Summary of Significant Accounting Policies:

Principles of Accounting

The financial statements and the supplemental schedule are prepared in accordance with generally accepted accounting principles and are prepared on the accrual basis. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Basis of Reporting

The Foundation has adopted SFAS No. 117 which establishes standards for external financial reporting by not-for-profit organizations and requires that resources be classified for accounting and reporting purposes into three net asset categories (i.e. unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets) according to externally (donor) imposed restrictions.

GREATER NEW ORLEANS SPORTS FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 2 - Summary of Significant Accounting Policies, Continued:

Basin of Reporting, Continued

A description of the three (3) net asset categories is as follows:

Unrestricted net assets include funds not subject to donor-imposed stipulations. The revenues received and expenses incurred in conducting the mission of the Foundation are included in this category. The Foundation has determined that any donor-imposed restrictions for current or developing programs and activities are generally met within the operating cycle of the Foundation, and therefore, the Foundation's policy is to record these net assets as unrestricted.

Temporarily restricted net assets include realized gains and losses, investment income and gifts, appropriations and contributions for which donor imposed restrictions have not been met.

Permanently restricted net assets are contributions which are required by the donor-imposed restriction to be invested in perpetuity and only the income be made available for program operations in accordance with the donor restrictions. Such income is reflected in temporarily restricted net assets until utilized for donor imposed restrictions.

At December 31, 2002, the Foundation did not have any temporarily or permanently restricted net assets.

Fixed Assets

Fixed assets are stated at cost, if purchased, or at fair market value at the date of the gift, if donated. Depreciation is provided using the straight-line method over the estimated useful life of the equipment, which is 5 years.

Leasehold Improvements

Leasehold improvements are stated at cost. Amortization is provided using the straight-line method over the life of the lease, which is 10 years.

GREATER NEW ORLEANS SPORTS FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 2 - Summary of Significant Accounting Policies, Continued:

Cash and Cash Equivalents

Cash consists solely of demand deposits and a money market account that is secured by federal deposit insurance. All highly liquid debt instruments purchased with an original maturity of three (3) months or less are considered to be cash equivalents for purposes of the statement of cash flows.

Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

NOTE 3 - Fixed Assets:

Changes in office furniture and equipment and household improvements during the year ended December 31, 2002 were as follows:

Description	Balance January 1, 2002	Additions (Deletions)	Accumulated Depreciation/ Amortization	Balance December 31, 2002
Office furniture and equipment	\$169,499	\$ 3,578	\$ (132,437)	\$ 40,640
Household improvements	68,974	-0-	(17,185)	\$2,869
Total	<u>\$238,473</u>	<u>\$ 3,578</u>	<u>\$ 149,622</u>	<u>\$ 91,909</u>

Depreciation/Amortization expense for the year ended December 31, 2002 totaled \$22,085.

GREATER NEW ORLEANS SPORTS FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 4 - Accounts Receivable:

For the year ended December 31, 2003, included in accounts receivable were funds due to the Foundation from various sporting events, as well as funds from grantors and other agencies. The funds due to the Foundation are as follows:

<u>Description</u>	<u>Amount</u>
2002 AAU Boys Basketball	\$ 137
NCAA	25,452
2003 NCAA Women's Volleyball	160,357
State of Louisiana	50,840
University of New Orleans	27,500
2001 National AAU Karate	1,478
2003 NCAA Men's Final Four	27,246
2004 Women's Final Four	10,790
Other	58,622
Total	\$ <u>161,777</u>

NOTE 5 - Income Taxes:

The Foundation is exempt from corporate income taxes under Section 501(c)(4) of the Internal Revenue Code.

NOTE 6 - Cash and Cash Equivalents:

Cash consists solely of demand deposits and a money market account that is secured by federal deposit insurance. All highly liquid debt instruments purchased with an original maturity of three (3) months or less are considered to be cash equivalents for purposes of the statement of cash flows.

GREATER NEW ORLEANS SPORTS FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 7 - Concentration of Credit Risk:

At December 31, 2002, the Foundation has cash and cash equivalents totaling \$962,047 as follows:

Interest-bearing demand deposits	\$ 45,201
Money market account	896,496
Other	<u>150</u>
 Total	 \$ <u>962,047</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At December 31, 2002, the Foundation has \$962,047 in deposits. These deposits are secured from risk by \$100,000 of federal deposit insurance and \$862,047 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 1). As of December 31, 2002, the Foundation has no concentration of credit risk.

NOTE 8 - Hotel Occupancy State Sales Tax Dedication:

The Hotel Occupancy sales tax imposed by R.S.47:321 shall be credited each fiscal year to the Bond Security and Redemption Fund, and after a sufficient amount is allocated from that fund to pay all the obligations secured by the full faith and credit of the State which become due and payable within any fiscal year, the treasurer shall pay the remainder of such funds into a special fund designated as the "New Orleans Area Tourism and Economic Development Fund". The Foundation collected \$265,000 from the Hotel Occupancy sales tax dedication during the current year.

GREATER NEW ORLEANS SPORTS FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 8 - Hotel Occupancy State Sales Tax Dedication, Continued:

The Foundation also collected revenue from the Hotel/Motel Sales Tax Act 648. The Act mandated that the hotels/motels in the City charge guests a fee for each hotel night stay, which would be used to support the Foundation. The Foundation collected \$60,143 from the Hotel/Motel Act 648, during the current year. The revenues are reflected as unrestricted.

NOTE 9 - Leases:

The Foundation leases office space under an operating lease expiring October 31, 2010. Minimum future rental payments under the operating lease having remaining terms in excess of one year as of December 31, 2002 and for the subsequent years are as follows:

Year Ended December 31,

2003	\$ 51,274
2004	56,096
2005	56,096
2006	56,096
2007	56,096
Subsequent to 2007	<u>187,916</u>
Total	\$ <u>463,574</u>

Rental expense for the year ended December 31, 2002 under the lease was \$51,274.

NOTE 10 - Program and Sponsorship Revenue, Professional Service Fees and Management Fees:

The Foundation has entered into certain contractual arrangements with other organizations to provide management advisory services for current and future events sponsored by the other organizations. Such contracts require stipulated amounts to be paid to the Foundation such services and additionally provide for reimbursement of eligible costs as defined pursuant to the event.

GREATER NEW ORLEANS SPORTS FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 10 - Program and Sponsorship Revenue, Professional Service Fees and Management Fees, Continued:

The sporting events and the related revenue, reimbursements for such events administered during the year ended December 31, 2002 are as follows:

<u>Event</u>	<u>Ticket Sales</u>	<u>Entry Fees</u>	<u>Sponsorship Revenues</u>	<u>Professional Service Fees</u>	<u>Management Fees</u>
Cajunfest Easter Clinic	\$ 2,261	\$ -0-	\$ 3,889	\$ -0-	\$ -0-
2003 SEC Boys Basketball	5,650	-0-	-0-	-0-	-0-
2002 AAU Boys Basketball	7,189	48,625	1,687	-0-	-0-
2002 NCAA Women's Volleyball	215,654	-0-	35,673	1,268	25,193
Louisiana State Games Foundation	-0-	-0-	-0-	2,534	-0-
Super Bowl XXXVI	-0-	-0-	-0-	-0-	788,894
Total	\$230,624	\$48,625	\$40,669	\$ 3,792	\$813,987

NOTE 11 - Fair Value of Financial Instruments:

The estimated fair value of all significant financial amounts have been determined by the Foundation using available market information and appropriate valuation methodologies. The Foundation considers the carrying amounts of cash and cash equivalents, and accounts receivable to be the fair value.

**GREATER NEW ORLEANS SPORTS FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

NOTE 12 - Related Party Transactions:

2003 MEN'S FINAL FOUR LOCAL ORGANIZING COMMITTEE

Certain board members of the Foundation are also board members of the 2003 Men's Final Four Local Organizing Committee. The Foundation has contracted with the 2003 Men's Final Four Local Organizing Committee (a non-profit corporation), to manage and handle the administrative functions of hosting the 2003 Men's Final Four. The Foundation provides office space, meeting space, utilities, and the use of all office furniture and equipment as well as providing any and all personnel needed to host the 2003 Men's Final Four. The value of these benefits have not been recorded in the financial statements since the related amount has not been determined.

Additionally, the Foundation has other receivables due from the 2003 Men's Final Four Local Organizing Committee in the amount of \$27,246. The amounts due have been collected in the subsequent year.

SUPER BOWL XXXVI HOST COMMITTEE

Certain board members of the Foundation are also board members of the Super Bowl XXXVI Host Committee. The Foundation has contracted with the Super Bowl XXXVI Host Committee (a non-profit corporation), to manage and handle the administrative functions of hosting Super Bowl XXXVI. The Foundation provides office space, meeting space, utilities, and the use of all office furniture and equipment, as well as providing any and all personnel needed to host Super Bowl XXXVI. The Super Bowl XXXVI Host Committee has paid \$475,013 to the Foundation during the current year for administrative services. The Super Bowl XXXVI Host Committee was dissolved in 2002 and the remaining assets were transferred to the Foundation. The total amount transferred as of December 31, 2002 totaled \$313,791. The transferred assets have been recorded as management fees in the current year.

GREATER NEW ORLEANS SPORTS FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 12 - Related Party Transaction, Continued:

NEW ORLEANS BOWL

Certain board members of the Foundation are also board members of the New Orleans Bowl, Inc. The Foundation has contracted with the New Orleans Bowl (a non-profit corporation), to manage and handle the administrative functions of hosting the New Orleans Bowl. The Foundation provides office space, meeting space, utilities, and the use of all office furniture and equipment, as well as providing any and all personnel needed to host the New Orleans Bowl. The value of these benefits have not been recorded in the financial statements since the related amount has not been determined.

Additionally, the Foundation has a non-interest bearing loan and other receivables due from the New Orleans Bowl in the amount of \$148,176. The amounts due have been collected in the subsequent year. The Foundation has also forgiven other amounts due from the New Orleans Bowl in the amount of \$346,404. The debt forgiveness has been recorded as bad debt expense in the current year.

BOARD OF DIRECTORS

The Foundation entered into a contractual agreement with one of its board members to handle the administrative functions associated with certain events including, but not limited to the 2001 NCAA first and second round Men's Basketball Tournament, the 2002 NCAA Women's Volleyball National Championship and the 2003 NCAA Championship Men's Basketball Final Four. The Foundation agreed to pay the board member fees in the amount of \$105,000, \$110,000 and \$115,000 for the years ended 2001, 2002 and 2003, respectively. The Foundation has paid a total of \$150,000 in the current year for event administration.

SUPPLEMENTAL INFORMATION

Call today to get the information you need to get started.

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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors
Greater New Orleans Sports Foundation
New Orleans, Louisiana

We have audited the financial statements of the Greater New Orleans Sports Foundation (the Foundation) as of and for the year ended December 31, 2003, and have issued our report thereon dated May 9, 2004. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Foundation's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS
(CONTINUED)

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Foundation's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the Board of Directors, management and the State of Louisiana and is not intended to be and should not be used by anyone other than those specified parties.

Bruno & Tervalon LLP
BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS

May 9, 2003

**GREATER NEW ORLEANS SPORTS FOUNDATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2002**

We have audited the financial statements of Greater New Orleans Sports Foundation as of and for the year ended December 31, 2002, and have issued our report thereon dated May 9, 2003. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of December 31, 2002 resulted in an unqualified opinion.

Section I - Summary of Auditors' Reports:

a. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control	
Material Weakness/Reportable Conditions	No
Compliance	
Compliance Material to Financial Statements	No

b. Federal Awards
Not Applicable

c. Identification of Major Programs
Not Applicable

**Section II - Findings Relating to the Financial Statements Reported in Accordance with
Government Auditing Standards:**

NONE

Section III - Findings and Questioned Costs Related to Federal Awards:

NONE

GREATER NEW ORLEANS SPORTS FOUNDATION
December 31, 2002

EXIT CONFERENCE

An exit conference was held with the following individuals:

GREATER NEW ORLEANS SPORTS FOUNDATION

Mr. John J. Ciore	--	Executive Director
Ms. Colleen Lieberman	--	Vice President of Administration

BRUNO & TERYALON LLP - CERTIFIED PUBLIC ACCOUNTANTS

Mr. Michael B. Bruno, CPA	--	Managing Partner
Mr. Sean M. Bruno, CPA	--	Manager
Ms. Daja Jackson	--	Staff

The audit report was discussed. This report is intended solely for the information and use of the Board of Directors, management and the State of Louisiana and is not intended to be and should not be used by anyone other than those specified parties.